

UN Global Compact

Communication on Progress
Nissens 2019

Nissens' Communication on Progress Reporting is available on:

UN Global Compact's website
Nissens' website:
www.nissens.com

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Statement of Continued Support

June 25, 2019



Nissens develops, manufactures and markets cooling systems for the international automotive aftermarket and customized cooling systems for the renewable energy and special vehicles segments. We are considered a market leading brand on thermal solutions in the automotive aftermarket for thermal solutions. In addition, we are recognized as a globally leading partner in cooling systems for on- and offshore wind turbines and a leading niche manufacturer of cooling solutions for a variety of industrial applications.

The Nissens Group consists of two business units: Nissens Automotive, selling to wholesalers and distributors in the aftermarket ; and Nissens Cooling Solutions, covering development and sales to two segments; the wind energy industry and the industrial segment, targeting respectively global wind turbine OEMs and global heavy duty equipment OEMs.

Nissens is known for a strong brand, a wide product range, consistently high service levels, product quality, engineering capabilities, customization and innovation. We are driven by an ambition to keep Delivering the Difference to our customers across geographical areas, commercial markets and business segments.

To us, Delivering the Difference to our customers is partly anchored in our focus on corporate social responsibility and sustainability. For that reason, I am pleased to submit the first Communication on Progress Report from Nissens, which is our formal commitment and official statement of Nissens' continued support to the ten principles of the UN Global Compact within the areas of Human Rights, Labor Rights, Environmental Protection and Anti-corruption.

Nissens' CSR Policy and Code of Conduct are approved by Nissens' Group Management and Board of Directors.

In this annual Communication on Progress Report for 2019, we are pleased to share our commitments, focused actions and achievements in relation to securing our continued support of the principles of UN Global Compact with the public as well as with our stakeholders, including our customers, employees, suppliers and other partners.

Sincerely yours,

Mikkel Krogslund Andersen
CEO, Nissens

Human Rights Principles

Commitment

Nissens is headquartered in Horsens, Denmark, with in-house production and assembly sites in Slovakia, Denmark, China and the US. In the Group, we have 22 subsidiaries across three continents performing activities within sales, production and distribution. We have local employees in 20 countries.

Nissens offers support and respect for the protection of internationally proclaimed human rights, and we are committed to leading and driving our business in a manner that ensure our company's compliance with the protection of human rights in our internal as well as in our external value chain.

We operate on the basis of respect of diversity, and we do not accept discrimination on the basis of race, religion, gender, age, nationality or sexual orientation within the company. Becoming an increasingly international company with offices and production sites across three continents, we embrace the diversity of different cultures and believe that our diversity is a strong asset in our ambition to keep Delivering the Difference to our customers on a global scale.

Implementation of Actions: 2018/19



In 2018, we have put focus into the implementation of the new EU General Data Protection Regulation (GDPR), which is designed to harmonize data privacy regulations across Europe. At Nissens, we are committed to ensuring that the data privacy of our customers, employees and other stakeholders is managed in a professional and respectful manner as well as in compliance with applicable laws and regulations on

local level. Professional data privacy protection is important to leverage the speed of trust between Nissens and our internal as well as external stakeholders.

To emphasize our focus on the importance of the GDPR implementation in the past year, Nissens has defined a KPI in our CSR Policy, which outlines our ambition for management signatures on Nissens' Data Privacy Policy.

Action	KPI	Target	Status 2018/19
Implementation of GDPR, incl. Nissens' Data Privacy Policy	Full compliance on signatures on Data Privacy Policy from Top Tier Three Group of Managers	100%	100%

Performance Evaluation & Outlook

Our ambition on management signatures on our new Data Privacy Policy remains unaltered, and we will strive for 100% target fulfilment in the coming year.

In general, Nissens has not been subject to any external investigations, nor have

we internally received reports or made registrations of any incidents involving human rights violations in the past year, so Nissens reaffirms our commitment to UN Global Compact's principles on Human Rights.



THE PRINCIPLES OF THE UN GLOBAL COMPACT

i) Human Rights

Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights;

and

Principle 2:
Make sure that they are not complicit in human rights abuses

Labor Rights Principles

Commitment

Being a supplier to the leading players in the international automotive aftermarket and to the predominant OEMs in the wind turbine industry as well as in a variety of industrial segments stipulates that Nissens is able to attract and retain competent and dedicated employees in our 22 companies around the world.

Nissens is committing to securing a safe working environment with a good working atmosphere based on open communication and the possibility for personal and professional development within the company.

We respect the freedom of association of our employees as well as their right to collective bargaining, and we secure

our dialogue and co-operation with the representatives of our employees through formalized meeting structures and fora.

In our Code of Conduct, we state that Nissens has zero tolerance of forced labor, child labor and discrimination. Our Code of Conduct is made publicly available to all employees at Nissens on our InfoNet and in our local employee handbooks. Managers at top tier levels in the organization are requested to provide their signature on their commitment to respect Nissens' Code of Conduct. Suppliers to Nissens Automotive and Nissens Cooling Solutions are provided with Nissens' Code of Conduct upon engagement in co-operations with our two business units.

Implementation of Actions: 2018/19

To secure a safe and good working environment, Nissens has carried out an employee satisfaction survey in China in 2018. Additionally, a workplace assessment survey was carried out in Denmark in accordance with the Danish Working Environment Act in the spring of 2019. The surveys testified of healthy

working environments in both China and Denmark. Nissens regularly measures and follows up on prioritized focus areas serving as indicators of the well-being of our employees. We have included our performance on absence due to injuries and sickness absence below:

Actions	KPIs	Baseline	Status 2018/19
Absence Rate due to Injuries in Denmark and Slovakia) <i>(Total Recordable Injury Rate (TRIR) per 200000 working hours)</i>	Improved performance in FY2018/19 compared to baseline in FY2017/18	4,5	3,5
Overall Sickness Absence Rates (across DK, SK, CN)	Maintained or improved sickness absence rates in FY2018/19 compared to FY2017/18	Denmark: 2.20% Slovakia: 3.64% China: 0.96%	Denmark: 2.59% Slovakia: 4.30% China: 0.54%



THE PRINCIPLES OF THE UN GLOBAL COMPACT

ii) Labor Rights

Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4:

The elimination of all forms of forced and compulsory labor

Principle 5:

The effective abolition of child labor

Principle 6:

The elimination of discrimination in respect of employment and occupation



Performance Evaluation & Outlook

We will maintain our ambitions for improving our TRIR and sickness absences rates in the coming year. In the past year, Nissens has not been subject to any external investigations, nor have we internally received reports

or made registrations of any incidents involving labor rights violations in the past year, and, in the year to come, we will pursue our focus on Nissens' continued compliance with UN Global Compact's principles on labor rights.



NISSENS' CODE OF CONDUCT

We have developed seven codes that serve as guidelines for our ethical behavior:

- | | |
|--|--|
| 1 Responsible business principles
Legal Compliance | 2 Responsible business principles
Prohibition of Corruption |
| 3 Responsible business principles
Accounting & Reporting Standards | 4 Responsible business principles
Conflicts of Interest |
| 5 Fundamental company ethics
Non-Discrimination | 6 Fundamental company ethics
Environmental Protection & Work Environment |
| 7 Fundamental company ethics
Forced Labor & Child Labor | |

Environment Protection Principles



Commitment

Nissens is committed to act as an environmentally responsible company. We are certified according to the ISO 14001 environmental standard across our production sites in Denmark, Slovakia and China. Our environmental initiatives in the business include activities on e.g. reduction of energy consumption, emissions and waste.

Our ISO 14001 certification is an acknowledgement of our responsibility towards environmental protection. We wish to put emphasis on sustainability by minimizing the impact of the company's physical surroundings through targeted environmental measures and by integrating an environmental focus into our business decisions. This is reflected in Nissens' focus on supplies for the renewable energy segment, considerations for environmental enhancement through product development and

optimizations of operational processes providing environmental benefits.

To secure our organization's awareness and competence in relation to Nissens' consideration for the environment, we apply a Train the Trainer Concept for all of our blue-collar employees, which includes training in guidelines on recommended environmental behavior and energy consumption.

Implementation of Actions: 2018/19

In the past year, we have implemented initiatives, which have contributed to continuing our reduction of Nissens' energy consumption, just as we keep a positive trend in CO₂ emission reductions over the year.

In 2017, Nissens started to measure the CO₂ emission per employee across the company. In the past 1.5 years, we have measured and followed the development of our company impact in this area.

Action	KPI	Baseline	Status 2018/19
Measurement of CO ₂ emission	Improved performance of the CO ₂ emission per employee in FY2018/19 compared to FY2017/18	Index 100	Index 90

Evaluation of Performance & Outlook

We will continue to focus on improving our environmental footprint through initiatives to limit our energy consumption, emissions and waste through planned initiatives in our global factories.

In the past year, Nissens has not been subject to any external investigations, legal cases or incidents involving violations of the environmental protection principles defined by UN Global Compact.



THE PRINCIPLES OF THE UN GLOBAL COMPACT iii) Environment

- Principle 7:** Businesses should support a precautionary approach to environmental challenges
- Principle 8:** Undertake initiatives to promote environmental responsibility
- Principle 9:** Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption Principles

Commitment

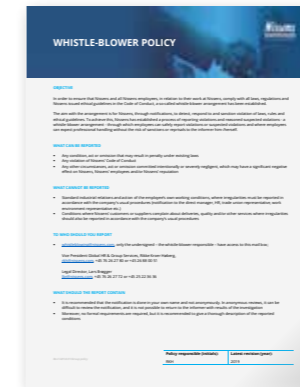
Nissens has zero tolerance on the application of corruption and bribery as an acknowledgement of corruption and bribery being barriers to the development of free and fair trade between companies and countries.

In Nissens' Code of Conduct, it is outlined that our employees must refrain from offering rewards and means of corruption when exercising their duties and acting as representatives of the company. Additionally, our employee handbooks contain guidelines on

maximum values for appreciations made by external partners to employees at Nissens in order to keep the professional impartiality and personal integrity of Nissens' staff.

Nissens has a whistleblower policy and information channel, which serves the purpose of providing access to named or anonymous, formalized reporting of alleged breaches of laws, regulations, Nissens' Code of Conduct or other valid policies and processes.

Implementation of Actions: FY2018/19



Action	KPI	Target	Status 2018/19
Measurement of whistleblower incidents	Zero confirmed incidents in whistleblower scheme	0 incidents	0 incidents

Evaluation of Performance & Outlook

We continue to strive for optimal business ethics within Nissens and maintain a KPI of zero confirmed whistleblower incidents in the coming year.

In the past year, no investigations or legal incidents on anti-corruption

violations have been reported to Nissens or registered by Nissens, and we will continue to focus on full compliance with the principles of anti-corruption defined by UN Global Compact.



THE PRINCIPLES OF THE UN GLOBAL COMPACT iv) Anti-corruption

Principle 10:
Businesses should work against corruption in all its forms, including extortion and bribery